

To the Members of the California State Assembly:

I am returning Assembly Bill 1148 without my signature.

This bill is essentially duplicative of Assembly Bill 2328 (Wyland), which addresses the state built-in gains tax issue in conformity with federal law for those former S corporations that were retroactively converted to state C corporations under 2002 legislation.

Therefore, because this bill is unnecessary I cannot sign this measure.

Sincerely,

Arnold Schwarzenegger